

CMS Targets Outpatient Specialty Services in Episodic Payments

The Center for Medicare and Medicaid Innovation (CMS) is interested in testing new models of care that will focus on specific diseases, patient populations, and specialty practitioners in the outpatient setting to incentivize improved care, better health, and lower costs. Specifically, CMS is looking to change the way outpatient specialist practitioners are paid for both chronically ill beneficiaries and for one-time patients, building on the Bundled Payments for Care Improvement model for episodes of care in inpatient hospital stays.

The CMS Innovation Center is issuing a Request For Information (RFI) to obtain input on policy considerations for the development of innovative payment and service delivery models for specialty practitioner services furnished mainly as outpatient care for patients with specific medical conditions and/or specific patient populations. The payment structure for these models could include procedural episode-based payment opportunities, complex and chronic disease management episode-based payment opportunities, or other innovative arrangements.

The RFI states that CMS is looking at anaesthesia, pathology, radiology, diagnostic tests, prescription drugs covered under Medicare Part B or Part D, facility payments to ambulatory surgical centers and hospital outpatient departments, which have not been addressed before in episodic models of care. The agency expects that services that specialists are responsible for, including choice of procedure, drugs, imaging, laboratory tests and site of service, would be integrated into the episode.

"This model could target specific procedures where significant opportunities exist for specialty practitioner engagement in care redesign. Examples of episodes could include surgical procedures furnished in the outpatient setting (such as colonoscopy or cataract surgery), as well as nonsurgical treatments (such as radiation therapy) that would be conducive to an episode-based payment model," CMS writes.

CMS notes that while the models will likely coordinate closely with the Physician Fee Schedule, there will still be differences in the new model because CMS intends to incentive more rapid changes in services, and there is the possibility of bundling pay for a prolonged episode. CMS will need to work with stakeholders because many of the new technologies and drugs can be costly but cost savers in the long run.

CMS is currently working both to develop a payment model surrounding medical oncology.